



CRAW-KAN TELEPHONE COOPERATIVE INC.

200 N. Ozark • P. O. Box 100 • Girard KS. 66743

316-724-8235 • Fax 316-724-4099

JERRY R. JAMES

•GENERAL MANAGER•

December 11, 1997

Director-Universal Service Programs
Universal Service Administrative Company
100 South Jefferson Road
Whippany, NJ 07981

DOCKET FILE COPY ORIGINAL

Office of the Secretary
CC Docket No. 96-45
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, DC 20554

Sheryl Todd
Federal Communications Commission
Universal Service Branch
CC Docket No. 96-45
8th Floor, 2100 M Street, N.W.
Washington, DC 20554

Sir or Madame:

Please find enclosed orders by the Public Service Commissions of Kansas, Missouri, and Oklahoma granting Eligible Telecommunications Carrier status to Craw-Kan Telephone Cooperative, Inc.

Sincerely,

CRAW-KAN TELEPHONE COOPERATIVE, INC.

Jerry James
Jerry James
General Manager

Enclosures

Mr. [unclear] 0
11/11/97



1776.12.00 11-12-00
 Kansas Corporation Commission
 /S/David J. Heinemann

**THE STATE CORPORATION COMMISSION
 OF THE STATE OF KANSAS**

Before Commissioners: John Wine, Chairman
 Susan M. Seltsam, Commissioner
 Cynthia L. Claus, Commissioner

In the Matter of Establishing Guidelines for Designating)
 Eligible Telecommunications Carriers (ETCs) by the)
 State Commission under the Federal Communications)
 Commission's (FCC's) Universal Service Order (FCC 97-)
 157) specifically 47 C.F.R. subparts B and C in)
 Compliance with the 1996 Federal Act Section 254 and)
 Section 214(e).)

Docket No.
 98-GIMT-241-GIT

ORDER GRANTING ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) on the motions of **Bluestem Telephone Company**, **Blue Valley Telephone Company**, **Columbus Telephone Company, Inc.**, the **Council Grove Telephone Company**, **Craw-Kan Telephone Cooperative, Inc.**, **Cunningham Telephone Company, Inc.**, **Elkhart Telephone Company, Inc.**, **Golden Belt Telephone Association, Inc.**, **Gorham Telephone Company, Inc.**, **H&B Communications, Inc.**, **Haviland Telephone Company, Inc.**, **Home Telephone Company, Inc.**, **JBN Telephone Company, Inc.**, **KanOkla Telephone Association, Inc.**, **LaHarpe Telephone Company, Inc.**, **Madison Telephone Company, Inc.**, **MoKan Dial, Inc.**, **Moundridge Telephone Company, Inc.**, **Mutual Telephone Company**, **Peoples Mutual Telephone**, **Pioneer Telephone Association, Inc.**, **Rainbow Telephone Cooperative Association, Inc.**, **Rural Telephone Service Company, Inc.**, **S&A Telephone Company**, **S&T Telephone Cooperative Association, Inc.**, **S&T Communications of Dighton, Inc.**, **South Central Telephone Association, Inc.**, **Southern Kansas Telephone Company, Inc.**, **Southwestern Bell Telephone Company, Inc.**,

Sunflower Telephone Company, Inc., Tri-County Telephone Association, Inc., Totah Telephone Company, Inc., Twin Valley Telephone, Inc., United Telephone Association, Inc., United Telephone Company of Eastern Kansas dba Sprint, United Telephone Company of Kansas dba Sprint, United Telephone Company of Southcentral Kansas dba Sprint, United Telephone Company of Southeastern Kansas dba Sprint, Wamego Telephone Company, Inc., Wheat State Telephone, Inc., Wilson Telephone Company, Inc., and the Zenda Telephone Company, Inc., (hereinafter referred to as Companies) requesting the Commission designate them as Eligible Telecommunications Carriers (ETCs) pursuant to the Federal Communications Commission's (FCC's) Universal Service Order (FCC 97-157) specifically subparts B and C in compliance with the 1996 Federal Act Sections 254 and 214(e). [47 C.F.R. subparts B and C]. Having examined its files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1. The Federal Act requires states to designate companies currently receiving Universal Service Funds as ETCs prior to December 31, 1997, to ensure continued receipt of those funds. The Act also provides for designation of other carriers as ETCs.
2. On October 25, 1997, the Commission opened this docket and requested comments on Staff's proposed plan for issuance of ETC designations. Comments were received from Sprint/United (Sprint), Southwestern Bell Telephone Company (SWBT), the Independent Telecommunications Group, Columbus et al. and the State Independent Alliance (Columbus/SIA). The comments were generally supportive of Staff's proposal but asked for clarification regarding the waiver requirements.
3. The Commission issued its order on November 7, 1997, requiring companies to file an affidavit in this docket attesting to the carrier's ability to provide the nine

services/functionalities listed in Section 54.101 of the Universal Service Order. The KCC order also clarified companies were to file any requested waivers in the docket separately from the affidavit and that the affidavit should reflect that the company requested a waiver.

4. The majority of the Companies filed affidavits on November 20, 1997 requesting the Commission certify them as ETCs. Waiver requests were filed simultaneously. On November 18, 1997, Columbus Telephone Company, Inc., Cunningham Telephone Company, Inc., H&B Communications, Inc., Home Telephone Company, Inc., Moundridge Telephone Company, Inc., South Central Telephone Association, Inc. Totah Telephone Company, Inc., Twin Valley Telephone, Inc., Wanego Telephone Company, Inc., and Zenda Telephone Company, Inc., jointly filed a motion for an extension of time to allow them to file on December 1, 1997. On November 20, 1997, the Commission granted the motion. The affidavits and accompanying waiver requests were subsequently filed on December 1, 1997.

5. State Commissions are authorized to grant waivers of the E-9 11, Toll Restriction and single party service requirements. 47 C.F.R. Subpart B, 54.101(b). The Companies request waiver of the Toll Limitation Service requirement for the following reasons:

Toll Limitation is defined in Section 54.400 as "both toll blocking and toll control." The Companies state they all provide toll blocking which allows consumers to elect to prohibit completion of outgoing toll calls from their telecommunications channel [Section 54.400(a)(2)]. Toll control is defined as "a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." [Section 54.400(a)(3)]. The Companies state that technology does not currently exist to allow them to provide this service.

Findings of Fact and Conclusions of Law

6. The Commission finds and concludes that the requests for waiver submitted by the Companies for waiver of the toll limitation service requirement are sufficient and that the Companies have made a showing that exceptional circumstances prevent them from providing this service. The waiver shall be granted for a period of two years. Section 54.101(c) provides that waiver periods should "extend only as long as the relevant state commission finds that exceptional circumstances exist and should not extend beyond the time that the state commission deems necessary for that eligible telecommunications carrier to complete network upgrades." The Commission finds it appropriate to review whether technology allows the service to be provided at that time. The Commission requires the Companies file an update of the reasons for the continuation of waiver by October 1, 1999.

7. The Commission finds and concludes that the affidavits submitted by the Companies are sufficient and the aforementioned Companies qualify for ETC designation pursuant to 47 U.S.C. 214(e)(1)(A) and (B).

8. Upon consumer complaint, Staff request or Commission motion, the Commission may in the future, require additional information from companies. The FCC may also modify the list and scope of Universal Services.

9. It is incumbent upon the companies to forward a copy of this order to the Universal Service Administrative Company to ensure uninterrupted funding. Companies should forward all such information to:

Director, Universal Service Programs
Universal Service Administrative Company
100 South Jefferson Road
Whippany, NJ 07981

IT IS THEREFORE BY THE COMMISSION ORDERED THAT:

The aforementioned Companies are granted a waiver from the toll limitation service requirement for the reasons set forth above.

The aforementioned Companies are certified as Eligible Telecommunications Carriers for a period of two years for the reasons set forth above.

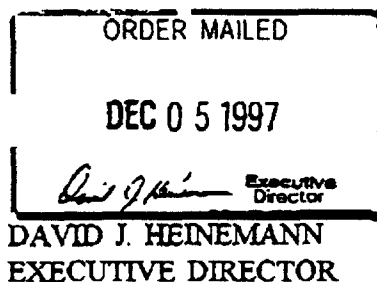
Any party may file for reconsideration of this order within fifteen days of the date this order is served. If service is by mail, service is complete upon mailing and three days may be added to the above time frame.

The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Wine, Chmn.; Seltsam, Corn.; Claus, Corn.

Dated: DEC 05 1997



SGS

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

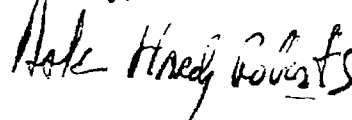
December 4, 1997

CASE NO: TO-98-49

Office of the Public Counsel, P. O. Box 7800, Jefferson City, MO 65102
W.R. England, III, Sondra B. Morgan, Brydon, Swearngen & England P.C.,
312 E. Capitol Avenue, P. O. Box 456, Jefferson City, MO 65102
Craig S. Johnson, Andereck, Evans, Milne, Peace & Baumhoer, 309 East McCarty Street,
P. O. Box 1438, Jefferson City, Mo 65102
Mark Harper, Linda K. Gardner, 5454 W. 110th Street, Overland Park, KS 66211
Julie Thomas Bowles, 8140 Ward Parkway, Kansas City, MO 64114
Carl J. Lumley, Leland B. Curtis, 130 S. Bemiston, Suite 200, St. Louis, MO 63105
James C. Stroo, 1000 GTE Drive, Wentzville, MO 63385
Paul G. Lane, Leo J. Bub, Anthony K. Conroy, Diana J. Harter, 100 N. Tucker,
Room 630, St. Louis, MO 63101-1976

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

Stephen F. Morris, 701 Brazos, Suite 600, Austin, TX 78701

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 4th
day of December, 1997.

In the Matter of the Application of the Mid-Missouri)
Group and the Small Telephone Company Group of)
Incumbent Local Exchange Companies for Designation)
as Telecommunications Company Carriers Eligible for) Case No. TO-98-49
Federal Universal Service Support Pursuant to)
Section 254 of the Telecommunications Act of 1996.)
)

**ORDER APPROVING STIPULATION AND
DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS**

The Mid-Missouri Group¹ (Mid-Mo) and the Small Telephone Company Group² (STCG), collectively referred to as "Applicants," jointly filed on August 1, 1997, an Application for Designation as Eligible Carriers Pursuant to Section 254 of the Telecommunications Act of 1996. The Applicants asked the Commission to designate each of the members of Mid-Mo

¹Alma Telephone Company, Chariton Valley Telephone Corporation, Choctaw Telephone Company, Mid-Missouri Telephone Company, Modern Telecommunications Company, MoKan Dial, Inc., Northeast Missouri Rural Telephone Company, and Peace Valley Telephone Company, Inc.

²ALLTEL Missouri, Inc., BPS Telephone Company, Bourbeuse Telephone Company, Cass County Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Inc., Craw-Kan Telephone Cooperative, Inc., Ellington Telephone Company, Farber Telephone Company, Fidelity Telephone Company, Goodman Telephone Company, Inc., Granby Telephone Company, Grand River Mutual Telephone Corporation, Green Hills Telephone Corporation, Holway Telephone Company, Iamo Telephone Company, KLM Telephone Company, Kingdom Telephone Company, Lathrop Telephone Company, Le-Ru Telephone Company, Mark Twain Rural Telephone Company, McDonald County Telephone Company, Miller Telephone Company, New Florence Telephone Company, New London Telephone Company, Orchard Farm Telephone Company, Oregon Farmers Mutual Telephone Company, Ozark Telephone Company, Rock Port Telephone Company, Seneca Telephone Company, Steelville Telephone Exchange, Inc., and Stoutland Telephone Company.

and STCG, all of whom are incumbent local exchange carriers (ILECs), as telecommunications carriers eligible to receive federal universal service support under 47 C.F.R. § 54.201(d). Beginning on January 1, 1998, any carrier that is eligible for universal service support must provide the services that are supported by federal universal support mechanisms as described in 47 C.F.R. § 101 using its own facilities at least in part. The carrier must also advertise the availability of those services and the charges for them using media of general distribution. 47 C.F.R. § 54.201(d). Where a telecommunications carrier is otherwise eligible for universal service support it may request additional time to complete the network upgrades necessary to provide single-party service, access to enhanced 911 service, or toll limitation. 47 C.F.R. § 54.101(c). The Commission may grant a request for additional time only on a showing of exceptional circumstances and for the period of time the Commission deems necessary to complete the upgrades. *Id.* Because funding will become available under these conditions in January of 1998, the Applicants have asked the Commission to make a determination of their eligibility no later than December 31, 1997.

The Commission issued its order directing interested parties to file applications to intervene by September 8. The Commission granted intervention to United Telephone Company of Missouri d/b/a Sprint, MCI Telecommunications Corporation, MCImetro Access Transmission Services, Inc., and Southwestern Bell Telephone Company, and set a date for a prehearing conference.

The parties met in prehearing conference on October 1, and filed a Stipulation and Agreement (Stipulation) on October 23. The Stipulation provided for the applicants to be designated eligible telecommunications

carriers for purposes of federal universal service support, and to be granted additional time to provide single-party service in all exchanges and toll limitation. No party requested a hearing.

The parties agreed that each of the ILECs comprising Mid-Mo and STCG, with the exception of Cass County, KLM and Ozark, provide the following services:

- (1) Voice grade access to the public switched network;
- (2) Local usage;
- (3) Dual tone multifrequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services;
- (6) Access to operator services;
- (7) Access to interexchange services; and
- (8) Access to directory assistance.

Cass County, KLM and Ozark provide all of these services except for single-party service.

The parties stipulated that none of the Mid-Mo and STCG members are capable at the present time of providing toll limitation for qualifying low-income customers, as that service is defined by the Federal Communications Commission (FCC) because they do not have the technical ability to provide toll control. Providing toll control will require extensive revisions to telephone company billing systems and the establishment of totally new information exchanges among carriers. The parties agreed that exceptional circumstances prevent the ILECs from presently providing this service and that the Commission should grant them additional time to provide this service pursuant to 47 C.F.R. § 54.101(c). The parties agreed that the Applicants will either provide toll limitation, including toll

control, on or before December 31, 1999. In the event that they will not be able to meet that deadline, the Applicants will file a request with the Commission for additional time by November 1, 1999, and a report setting out the current status of the technology. The Applicants agreed to serve a copy of these documents on each of the parties to this case. The Applicants will also provide reports regarding the status of the technology for toll control and the progress being made toward its implementation on or before December 31, 1998, to the Commission and the parties to this case.

The parties stipulated that exceptional circumstances prevent KLM from providing single-party service to approximately 260 of its customers. KLM and Staff have agreed to a modernization plan whereby the company will use its own employees to complete the upgrades in order to avoid having to incur an additional financial burden which might increase rates for local service. The agreement was filed in KLM's modernization case, TO-97-555, on September 26; Staff filed Suggestions in Support of the Stipulation on November 3. The parties to this case are agreed that KLM should be granted additional time up to December 31, 1998, to provide single-party service to all of its customers pursuant to 47 C.F.R. § 54.101(c).

The parties stipulated that exceptional circumstances prevent Ozark from providing single-party service to approximately 204 customers. Ozark has been granted an extension of time to complete its modernization plan by the Commission up to December 31, 1998, based on its inability to obtain needed financing. See Case No. TM-95-134, Order Granting Extension of Time to Complete Modernization Plan issued September 25, 1997. The parties are agreed that Ozark should be granted additional time up to

December 31, 1998, to provide single-party service to all of its customers pursuant to 47 C.F.R. § 54.101(c).

The parties stipulated that exceptional circumstances prevent Cass County from providing single-party service to approximately 747 customers. Cass County has filed a request with the Commission for an extension of time to complete its modernization based on the fact that it has not received the universal service funding it was relying on to complete these upgrades. Staff filed a response in support of Cass County's request on October 17. See Case No. TM-95-163. Cass County filed an application with the FCC for a waiver of 47 C.F.R. §§ 36.612(a) and 36.631(d) in connection with this delay in modernization and this Commission submitted comments in support of the application on May 19. See AAD 97-59. The parties are agreed that Cass County should be granted additional time up to December 31, 1998, to provide single-party service to all of its customers pursuant to 47 C.F.R. § 54.101(c).

The parties agreed that all of the Applicants qualify for designation as "eligible telecommunications carriers" under the provisions of 47 C.F.R. § 54.201(d) because, throughout their respective exchanges or service areas, each of them, with the exceptions noted above, offer the services to be supported by federal universal service support using their own facilities. In addition, the Applicants advertise the availability of these services using directories, public record tariffs, newsletters and bill stuffers. The Applicants have agreed to comply with any additional advertising in media of general distribution that the Commission deems appropriate to meet the requirements of 47 C.F.R. § 54.201(d)(2). The parties recommend that the Commission establish a docket in early 1998 to determine if there should be a rulemaking to establish the requirements of

47 C.F.R. § 54.201(d)(2) for telecommunications companies in which all issues involving these requirements may be addressed. In the interim, the parties agree that the ILECs' current advertising is adequate until such time as the issues are explored more fully in the docket to be established in early 1998.

Each of the Applicants agreed that, if it does not have a tariff providing Lifeline services as defined in 47 C.F.R. § 54.401 and Link Up services to qualifying low-income customers, it will file a tariff with the Commission to be effective before the end of 1997 so that such service will be available to qualifying low-income consumers by January 1, 1998. The parties recommended that the Commission address the issue of authorizing a state reduction of \$1.75 in the local rate in accordance with 47 C.F.R. § 54.503(a) in conjunction with the LifeLine tariff filings.

The parties recommended that the Commission issue an order to be effective prior to December 31, 1997, designating each of the ILECs of the Mid-Mo and STCG as telecommunications carriers eligible to receive federal universal service support, granting the requested additional time to provide single-party service and toll limitation, and designating the service area of each applicant to be equivalent to its "study area" unless and until determined otherwise pursuant to 47 C.F.R. § 54.207(b).

The Commission has reviewed the pleadings in the case and the Stipulation and Agreement of the parties and finds that the Stipulation should be approved in resolution of all issues and the Applicants shall be designated as eligible telecommunications carriers for purposes of federal universal service support. The Commission finds that exceptional circumstances exist which prevent the Applicants from providing ubiquitous single-party service and toll limitation and that the requested extensions

of time shall be granted. The Commission finds that a case should be established to determine whether a rule should be promulgated specifying the standards for advertising that the Commission will find adequate to meet the requirements of 47 C.F.R. § 54.201(d)2).

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed by the partes on October 23, 1997, is approved in resolution of the issues.

2. That each of the Applicants is designated an eligible telecommunications carrier for purposes of federal universal service support pursuant to 47 U.S.C. §§ 214(e) and 254(e). Each applicant's certificated Missouri service area shall be its service area for purposes of federal universal service support. Each applicant's service area shall be equivalent to its "study area" pursuant to 47 C.F.R. § 54.207(b).

3. That extensions of time until December 31, 1998, to provide single-party service to all customers are granted to KLM Telephone Company, Ozark Telephone Company, and Cass County Telephone Company.

4. That extensions of time until December 31, 1999, to provide toll limitation as defined by 47 C.F.R. § 54.400 are granted to the Applicants. The Applicants will file a report with the Commission no later than December 31, 1998, regarding the status of the technology and progress being made toward implementing toll limitation. If exceptional circumstances continue to prevent compliance by the extended deadline, the Applicants will file a request for additional time no later than November 1, 1999, accompanied by a report on the status of the technology as of that date.

5. That the Commission will establish a docket by separate order to determine whether a rule should be promulgated specifying standards for advertising adequate to meet the requirements of 47 C.F.R. § 54.201(d)2).

6. That each applicant that does not have a Lifeline tariff in effect shall submit a tariff providing Lifeline services to the Commission for approval no later than December 31, 1997.

7. That this order shall become effective on December 16, 1997.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer
and Murray, CC., concur.

Wickliffe, Deputy Chief Regulatory Law Judge

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 5th day of December, 1997.**

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE)
APPLICATION OF ALLTEL)
OKLAHOMA, INC., ET AL,)
FOR DESIGNATION AS)
TELECOMMUNICATIONS)
CARRIERS ELIGIBLE FOR)
UNIVERSAL SERVICE)
SUPPORT PURSUANT TO)
SECTION 254 OF THE)
TELECOMMUNICATIONS)
ACT OF 1996.)

CAUSE PUD NO. 970000522

APPLICATION OF GTE)
SOUTHWEST, GTE MIDWEST)
INCORPORATED AND GTE)
ARKANSAS INCORPORATED)
FOR DESIGNATION AS AN)
ELIGIBLE TELECOMMUNI-)
CATIONS CARRIER PURSUANT)
TO THE FCC UNIVERSAL)
SERVICE REPORT AND ORDER.)

CAUSE PUD NO. 970000515

APPLICATION OF SOUTH-)
WESTERN BELL TELEPHONE)
COMPANY FOR DESIGNATION)
AS AN ELIGIBLE TELECOM-)
MUNICATIONS CARRIER)
PURSUANT TO THE FCC)
UNIVERSAL SERVICE REPORT)
AND ORDER.)

CAUSE PUD NO. 970000530

ORDER NO. 418436

HEARING: November 24, 1997, before Robert E. Goldfield, Administrative Law
Judge

APPEARANCES: Cody B. Waddell, Attorney for ALLTEL Oklahoma, Inc.; Oklahoma ALLTEL, Inc.; Oklahoma Communication Systems, Inc.; Mid-America Telephone, Inc.; and Wyandotte Telephone Company

Ron Comingdeer and Mary Kathryn Kunc, Attorneys for Oklahoma Rural Telephone Coalition; Craw-Kan Telephone Cooperative, Inc.; Elkhart Telephone Company, Inc.; Ozark Telephone Company; and Seneca Telephone Company

William J. Bullard, Attorney for Chouteau Telephone Company and Totah Telephone Company, Inc.

Rick Zucker, Attorney for GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated

Roger K. Toppins and Amy R. Wagner, Attorneys for Southwestern Bell Telephone Company

Dara Derryberry Prentice and Micky S. Moon, Assistant Attorneys General

John W. Gray, Senior Attorney, Oklahoma Corporation Commission

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma ("Commission") being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the application of ALLTEL Oklahoma, Inc., and other incumbent local exchange carriers (Cause No. PUD 970000522); the application of GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated (Cause No. PUD 970000515); and the application of Southwestern Bell Telephone Company (Cause No. PUD 970000530). All applicants in all three Causes seek designation by the Commission as

telecommunications carriers eligible for universal service support in their certificated areas pursuant to Section 254 of the Telecommunications Act of 1996 (the "Act").

The Causes were filed on November 5, 1997; October 31, 1997; and November 12, 1997, respectively. After proper notice given, all three Causes were called for hearing on a consolidated record before the Administrative Law Judge ("ALJ") on November 24, 1997, and the Causes now come on for final disposition by the Commission.

Summary of Evidence

Mr. Larry Krajci, Manager, State Regulatory Affairs, ALLTEL Communications, Inc., testified on behalf of all applicants in all three Causes. Mr. Krajci testified that the rural incumbent local exchange carriers requesting to be designated by the Commission as carriers eligible for universal support in their certificated areas pursuant to Section 254 of the Act are listed in Attachment "A" to the application filed in Cause No. PUD 970000522, along with GTE Southwest Incorporated, GTE Midwest Incorporated, GTE Arkansas Incorporated and Southwestern Bell Telephone Company.

Mr. Krajci testified that he has met with representatives of the applicants in all three Causes concerning the same issues that are raised in all three applications. He testified that all of those companies are similarly situated in regard to those issues as is his company and that their position on those issues is the same as is his company's. Therefore, his testimony is intended to be applicable to all of those companies and in support of all three applications.

Mr. Krajci testified that as a part of his job responsibilities he is familiar with the provisions of Section 254 of the Act pertaining to federal universal support; as well as the Federal Communications Commission's ("FCC") Report and Order issued May 7, 1997, in FCC Docket No. 96-45, along with its final rules, implementing changes to the federal universal support system. He testified that Section 254 of the Act enacted policy changes to the federal universal support system, and established a subsequent schedule by which a joint universal service board, as well as the FCC, would implement rules and regulations embodying those policy changes.

The FCC's rules are codified in Title 47 of the Code of Federal Regulations ("C.F.R."). Mr. Krajci testified that 47 C.F.R. 54.201(b) authorizes this Commission, on its own motion or upon request, to designate an "eligible telecommunications carrier" for rural service areas served by rural telephone companies, so long as the carrier meets the requirements of 47 C.F.R. 54.201(d). In addition, he testified that from conversations with representatives of all applicants, to the best of his knowledge and belief, all of the Applicants qualify for designation as "eligible telecommunications carriers" under the provisions of 47 C.F.R. 54.201(d), in that throughout their respective exchanges or service areas, each of them (with the exception described below) offers the services to be supported by federal universal support using their own facilities; and advertise the availability of such services and the charges therefore using media of general distribution.

Mr. Krajci testified that as of January 1, 1998, Applicants are required to offer the following services as set forth in 47 C.F.R. 54.101(a):

- (1) Voice grade access to the public switched network;
- (2) Local Usage;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services;
- (6) Access to operator services;
- (7) Access to interexchange service;
- (8) Access to directory assistance; and,
- (9) Toll limitation services for qualifying low-income consumers.

Mr. Krajci testified that to the best of his knowledge and belief, none of the Applicants currently offer all aspects of the ninth service, toll limitation for qualifying low-income consumers, as it is defined by the FCC. The FCC has defined toll limitation in C.F.R. 54.400(a)(3) as including both toll blocking and toll control. "Toll control" is defined at 47 C.F.R. 54.400(a)(3) as "a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." He testified that while Applicants are able to provide toll blocking, none of the Applicants have the technical ability to provide toll control.

Mr. Krajci sponsored certain Exhibits in support of his testimony that Applicants do not have the technical ability to provide toll control. These exhibits are letters to TDS Telecom from Lucent Technologies, NORTEL and SIEMENS Stromberg-Carlson indicating generally that switching equipment and technology is not now available that would allow carriers to offer toll limitation as defined by the FCC and that such equipment is not now being developed. Mr. Krajci further testified that, in order for Applicants to provide toll limitation, there would have to be extensive revisions to telephone company billing systems and totally new information exchanges established with other carriers to provide the capability required by the FCC. He testified that at the present time, and for the foreseeable future, these exceptional circumstances prevent Applicants from providing toll limitation as defined by the FCC.

Mr. Krajci testified that given the matter of toll limitation is likely to receive reconsideration by the FCC and that this Commission has been given the flexibility within the FCC's "additional time" rules to address this requirement specifically, Applicants are requesting that the Commission grant them a blanket waiver with respect to the offering of the toll limitation requirement until such time as the FCC acts upon reconsideration requests of its Universal Service Order. He testified that such action by the Commission will ensure that the availability of interstate universal service cost recovery support for Applicants is not placed in jeopardy.

Additionally, Mr. Krajci testified that pursuant to the provisions of OAC 165:55-17-29 (Carrier of Last Resort/Eligible Telecommunications Carrier) and OAC 165:55-13-10 (Minimum service standards), Applicants believe they have already been designated by this Commission as telecommunications carriers eligible to receive federal universal service support. He testified, however, that out of an abundance of caution and to obtain the needed waiver relating to toll limitation, all Applicants are requesting a Commission order specifically designating them as eligible carriers and granting the requested waiver.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Upon full and fair consideration of the record of this Cause and being well and fully advised in the premises, the Commission makes the following findings and conclusions:

1. Proper notice was given in these Causes in accordance with Commission rules.

2. The Commission has jurisdiction of this matter pursuant to the provisions of Article IX, Section 18 of the Oklahoma Constitution; 17 O.S. 131 et seq; OAC 165:55-1-1 et seq; Section 214(e) and Section 254 of the Telecommunications Act of 1996; and 47 C.F.R. Section 54.201 et seq.

3. The Commission finds from the pleadings, evidence and testimony presented in this Cause:

- (a) that all three applications should be granted;
- (b) that all of the Applicants qualify for designation as "eligible telecommunications carriers" under the provisions of 47 C.F.R. 54.201(d), in that throughout their respective exchanges or service areas, each offer (with the exception noted below) the services that are supported by federal universal support mechanisms using its own facilities; and, advertise the availability of such services and the charges therefor, using media of general distribution;
- (c) that all Applicants, therefore, should be designated as carriers eligible for universal service support for all service areas (for Southwestern Bell Telephone Company the service area is designated as each exchange) for which they are certificated pursuant to Section 254 of the Telecommunications Act of 1996; and, that prior to December 31, 1997, the Commission shall provide the Universal Service Administrative Company ("USAC") with all names of eligible communications carriers, with a copy to be provided to the Office of the Secretary at the FCC;
- (d) that all Applicants, due to exceptional circumstances, are incapable of offering toll limitation service now or in the foreseeable future; and, pursuant to the additional time provisions of 47 C.F.R. 54.101(c), should be granted a waiver from that requirement until such time as industry technology and standards have been

developed and implemented which will allow them to provide this service or until the FCC reconsiders this issue and directs otherwise; and,

- (e) that all Applicants shall report to the Commission on an annual basis beginning one year from the date of this Order, on the status of industry technology and standards affecting their ability to provide toll limitation service; which obligation shall cease if the FCC eliminates or revises that service requirement upon reconsideration of that issue.

ORDER

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that the applications of ALLTEL Oklahoma, Inc., et al.; GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated; and Southwestern Bell Telephone Company; for designation as telecommunications carriers eligible for universal service support in their certificated service areas pursuant to Section 254 of the Telecommunications Act of 1996, are hereby granted.

IT IS FURTHER ORDERED that each of those incumbent local exchange carriers as listed in Attachment "A" hereto and made a part hereof are hereby designated as eligible telecommunications carriers for all service areas (for Southwestern Bell Telephone Company the service area is designated as each exchange) for which they are certificated, for purposes of the federal universal service program; and, that prior to December 31, 1997, the Commission shall provide the Universal Service Administrative Company ("USAC") with all names of eligible communications carriers, with a copy to be provided to the Office of the Secretary at the FCC.

IT IS FURTHER ORDERED that due to exceptional circumstances, all Applicant companies are hereby granted a waiver from providing toll limitation service until such time as industry technology and standards have been developed and

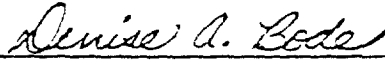
implemented which will allow them to provide this service or until the FCC reconsiders this issue and directs otherwise.

IT IS FURTHER ORDERED that all Applicants shall report to the Commission on an annual basis beginning one year from the date of this Order, on the status of industry technology and standards affecting their ability to provide toll limitation service; which obligation shall cease if the FCC eliminates or revises that service requirement upon reconsideration of that issue.

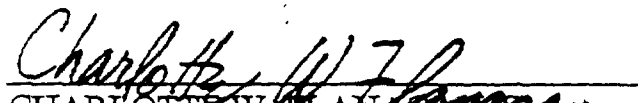
OKLAHOMA CORPORATION COMMISSION


ED APPLE, Chairman


BOB ANTHONY, Vice Chairman



DENISE A. BODE, Commissioner

DONE AND PERFORMED THIS 3 DAY OF Dec., 1997.
BY ORDER OF THE COMMISSION:


CHARLOTTE W. FLANAGAN, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.


ROBERT E. GOLDFELD
Administrative Law Judge

November 26, 1997
Date

Oklahoma Corporation Commission
Cause PUD No. 970000522
Cause PUD No. 970000515
Cause PUD No. 970000530

ATTACHMENT "A"

Atlas Telephone Company
E. D. Raus, Manager-President
P. O. Box 77
Big Cabin, OK 74332
(918)783-5111

ALLTEL Oklahoma, Inc.
Jimmie D. Williams, President
P. O. Box 460
Poteau, OK 74953
(918) 647-8824

Beggs Telephone Company, Inc.
Dr. Kay H. Mount, President & General Manager
5th & Choctaw
Beggs, OK 74421
(918)267-3636

Bixby Telephone Company, Inc.
Jerry K. Kite, Executive Vice President and General Manager
P.O. Box 98
Bixby, OK 74008
(918)366-8201

Canadian Valley Telephone Company
Charles O. Smith, President, General Manager
Access Road 69 Highway
Crowder, OK 74430
(918)334-3700

Carnegie Telephone Company
Lyn Johnson, Assistant Manager
1st & Colorado
Carnegie, OK 73015
(405)654-1002